Concept

The McKinsey 7S framework is a tool for understanding the internal situation of an organization. There are three 'hard' elements and four 'soft' elements.
The framework is based on the principle that the seven elements are all important, and for the firm to perform well these seven elements need to be aligned and mutually supporting.

Concept

If a change is proposed – for example, a new strategy, a merger or a change of leadership – the framework can be used as a diagnostic tool (such as to figure out where the problem will lie) or as a way of implementing the proposed change (such as to focus the change effort around one specific element). For the change to work, all seven elements will have to be aligned to support it.

Concept

The key point of the model is that all the seven areas are interconnected and a change in one area requires change in the rest of a firm for it to function effectively.

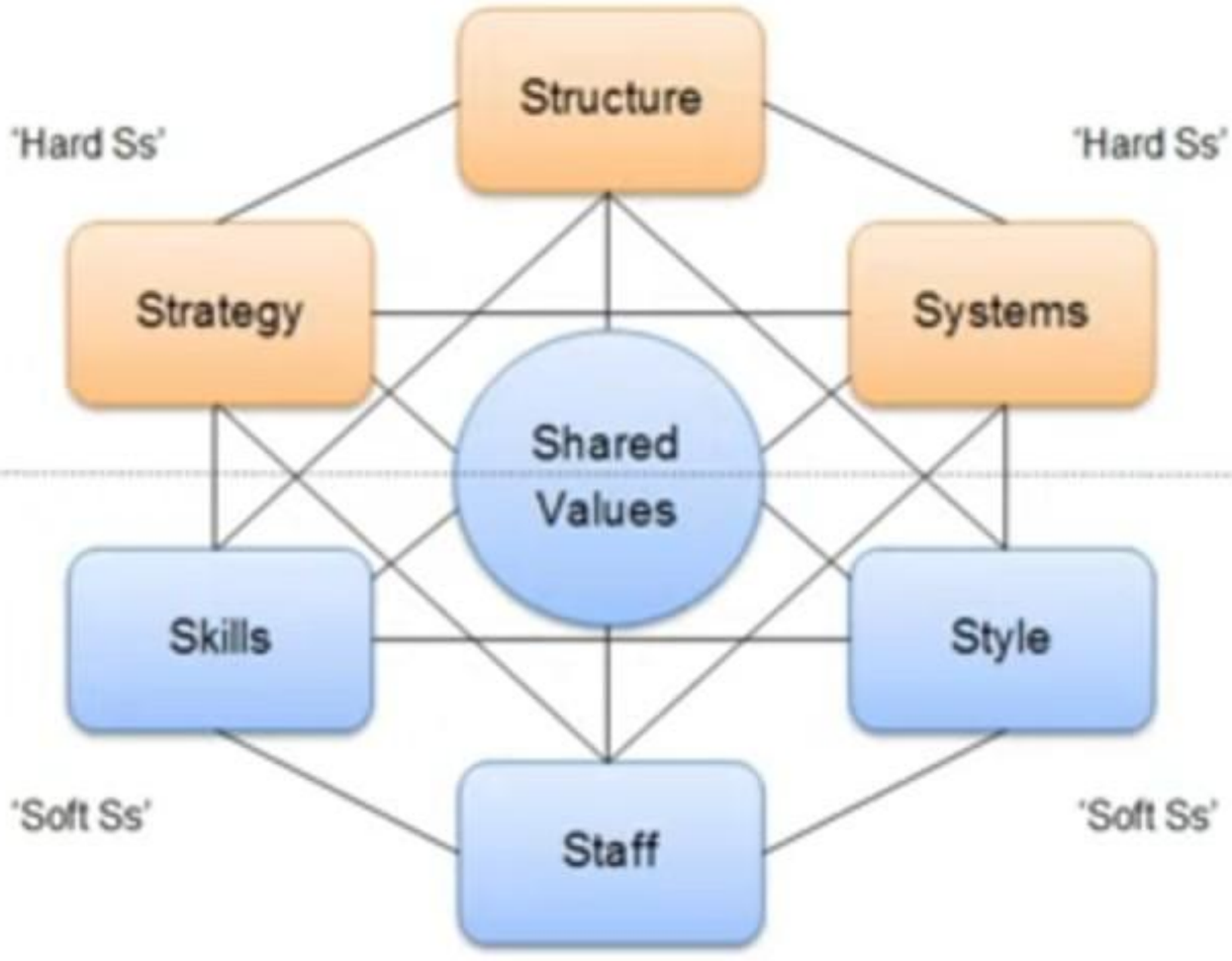
When to use ?

The model can be applied to many situations and is a valuable tool when organizational design is at question.
The most common uses of the framework are:

- **To facilitate organizational change.**
- **To help implement new strategy.**
- **To improve the overall performance of a firm.**
- **To facilitate the merger of organizations.**

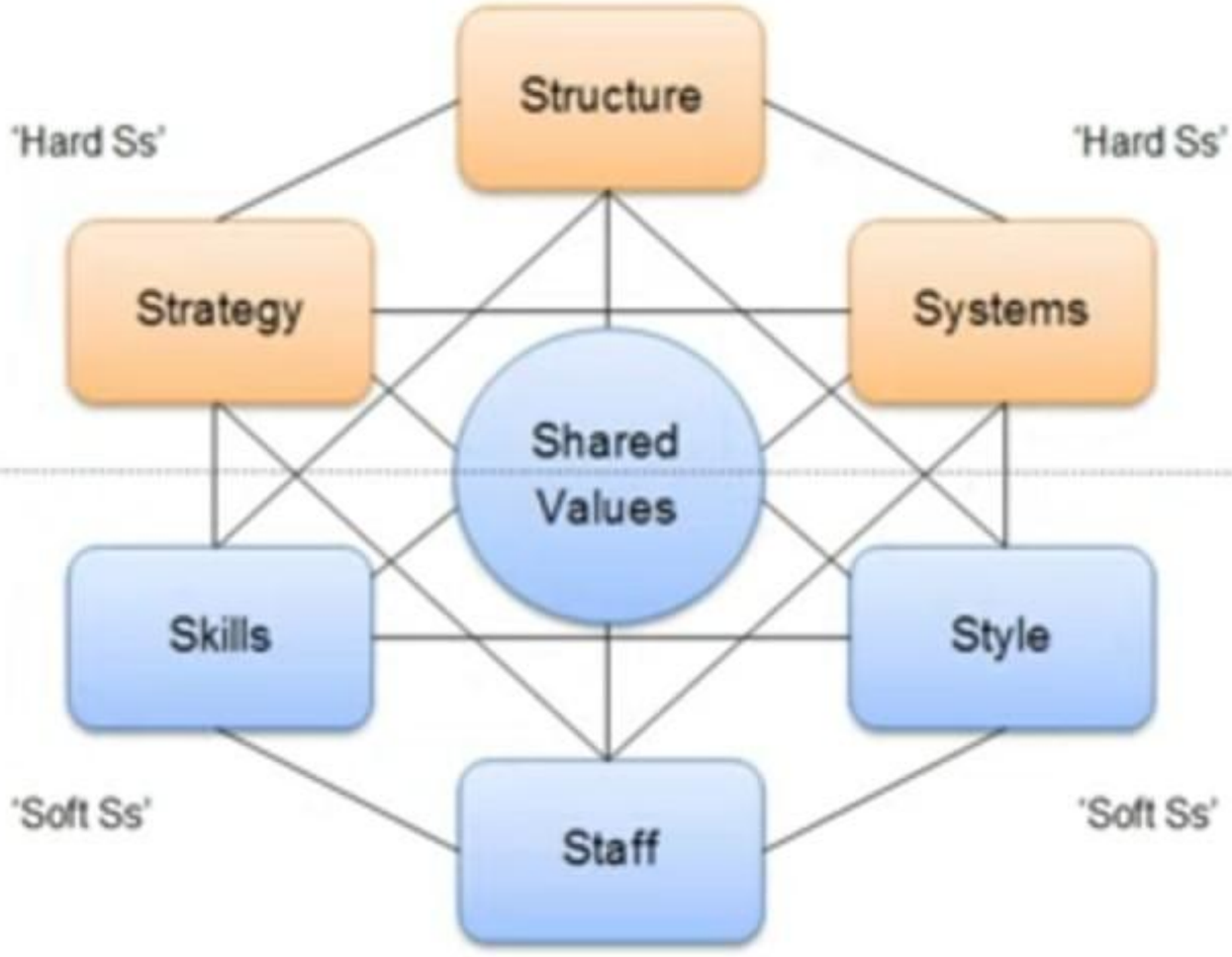
McKinsey model, which represents the connections between seven areas and divides them into 'Soft Ss' and 'Hard Ss'.

The shape of the model emphasizes interconnectedness of the elements.



Strategy, structure and systems are hard elements that are much easier to identify and manage when compared to soft elements.

On the other hand, soft areas, although harder to manage, are the foundation of the organization and are more likely to create the sustained competitive advantage.



Hard elements answer many ‘what’ questions about a business:

Strategy: What is the company’s driving strategy?
Structure: What teams are in place?
Systems: What formal systems ensure work progresses?

Whereas soft elements answer many ‘who’ and ‘how’ questions about a business:

Staff: Who comprises the company’s workforce?
Skills: How skilled are these workers?
Style: How do organizational leaders inspire their colleagues?
Shared Values: How does the company demonstrate its core values?

1. Strategy

Strategy is a plan developed by a firm to achieve sustained competitive advantage and successfully compete in the market. What does a well-aligned strategy mean in 7s McKinsey model? In general, a sound strategy is the one that's clearly articulated, is long-term, helps to achieve competitive advantage and is reinforced by strong vision, mission and values.

2. Structure

Structure represents the way business divisions and units are organized and includes the information of who is accountable to whom.
In other words, structure is the organizational chart of the firm. It is also one of the most visible and easy to change elements of the framework.

3. Systems

Systems are the processes and procedures of the company, which reveal business' daily activities and how decisions are made. Systems are the area of the firm that determines how business is done and it should be the main focus for managers during organizational change.

4. Skills

Skills are the abilities that firm's employees perform very well. They also include capabilities and competences. During organizational change, the question often arises of what skills the company will really need to reinforce its new strategy or new structure.

5. Staff

Staff element is concerned with what type and how many employees an organization will need and how they will be recruited, trained, motivated and rewarded.

6. Style

Style represents the way the company is managed by top-level managers, how they interact, what actions do they take and their symbolic value. In other words, it is the management style of company's leaders.

7. Shared Values

Shared Values are at the core of McKinsey 7s model. They are the norms and standards that guide employee behavior and company actions and thus, are the foundation of every organization.

The authors of the framework emphasize that all elements must be given equal importance to achieve the best results.